

**Article 2: Administrative Code**

**Division 32: Contracts for Personal Services, Goods, and Consultants**

*(“Contracts for Personal Services, Goods, and Consultants”  
added 6–29–1998 by O–18532 N.S.)*

**§22.3201 Purpose and Intent**

This Division is intended to specify the circumstances under which *contracts* for Goods, Services and Cooperative Procurement and Consultant *contracts* may be entered into and whether a *contract* for Goods, Services and Cooperative Procurement must be competitively bid.

*(“Purpose and Intent” added 6–29–1998 by O–18532 N.S.)*

**§22.3202 Authority to Enter Contracts; Competitive Bid Process Required**

The Purchasing Agent is authorized to enter into *contracts* upon request of City departments. Except as provided in Sections 22.3212, 22.3221 and 22.3222, all *contracts* shall be awarded through a competitive process in accordance with Section 22.3211.

*(“Authority to Enter Contracts; Competitive Bid Process Required” added 6–29–1998 by O–18532 N.S.)*

**§22.3203 Use of Brand Name in Specifications; Offers of “Or Equals”; Testing**

- (a) Any reference to a specific Brand Name in specifications is illustrative only. A reference to a Brand Name describes a component best meeting the specific operational, design, performance, maintenance, quality, and reliability requirements of the City.
- (b) A bidder may offer an equivalent (“or equal”) in response to a Brand Name reference. When an “or equal” is offered, the City may test and evaluate the product prior to award of the contract.
- (c) At bidder’s expense, bidder bears sole responsibility for providing any information, test data or document required by the City to fully evaluate the acceptability of the “or equal.” At bidder’s expense, this full evaluation may require independent testing, including destructive testing, at qualified test facilities.

- (d) The City reserves the sole right to reject a bid containing any “or equal” offered.
- (e) Exceptions to Section 22.3203(a)–(d) are permissible for procurement for replacement parts, or for testing and evaluation purposes or where compatibility with existing City equipment is mandated.  
(*“Use of Brand Name in Specifications; Offers of “Or Equals”; Testing” added 6–29–1998 by O–18532 N.S.*)

#### **§22.3204 Subdividing Purchase Prohibited**

The Purchasing Agent is prohibited from subdividing into two or more purchases any purchase of Goods or Services for an expenditure of \$50,000 or more that logically should be made as a single transaction if the purpose of the subdividing is to avoid the bidding requirements of the San Diego Municipal Code and the City Charter.  
(*“Subdividing Purchase Prohibited” added 6–29–1998 by O–18532 N.S.*)

#### **§22.3205 Civil Service Commission Review**

All *contracts* for Services shall be reviewed by the Civil Service Commission in accordance with Section 23.1801.  
(*“Civil Service Commission Review” added 6–29–1998 by O–18532 N.S.*)

#### **§22.3211 Contracts Required to be Competitively Awarded**

- (a) When a *contract* provides for an expenditure greater than \$5,000, but equal to or less than \$10,000, the Purchasing Agent may award the *contract* but shall seek competitive prices either orally or in writing.
- (b) When a *contract* provides for an expenditure greater than \$10,000 but equal to or less than \$50,000, the Purchasing Agent may award the *contract* but shall solicit written price quotations from at least five potential sources.
- (c) When a *contract* provides for an expenditure greater than \$50,000 but equal to or less than \$1,000,000, the Purchasing Agent may award the *contract* only after advertizing it for a minimum of one day in the City Official Newspaper.
- (d) When a *contract* provides for an expenditure greater than \$1,000,000, the Purchasing Agent shall advertize for sealed proposals for a minimum of one day in the City Official Newspaper and shall obtain the City Council’s approval to award the *contract*.

- (e) Maintenance *contracts* are required to be competitively bid pursuant to Section 22.3211. Maintenance *contracts*, however, may be awarded to other than the lowest bidder pursuant to Sections 65.0213(b) and 65.0214(c).

(Amended 9-3-2002 by O-19095 N.S.)

## **§22.3212 Contracts Not Required to be Competitively Bid**

The *contracts* listed in Section 22.3212(a)–(g) are not required to be competitively bid:

- (a) A *contract* that provides for an expenditure of less than \$5,000;
- (b) A Cooperative Procurement *contract* in an amount less than \$10,000;
- (c) A *contract* to remedy a bona fide emergency that affects public health or safety, provided that:
  - (1) The Purchasing Agent immediately reports the emergency award and its justifications to the City Council, and
  - (2) The Council by resolution acknowledges and ratifies the procurement;
- (d) A *contract* that is available from a Sole Source only, if, in advance of the *contract*, the City Manager certifies in writing in accordance with Section 22.3037 the Sole Source status of the provider;
- (e) Annual blanket purchase orders for an expenditure greater than \$5,000 for commercially available materials and supplies, provided that they are:
  - (1) required by City forces for immediate completion of work in progress;
  - (2) not normally kept in City stores; and
  - (3) less than \$50,000.
- (f) *Contracts* for Inmate Services which comply with Section 22.3221.
- (g) *Contracts* for Services with Agencies or Non-Profit Organizations which comply with Section 22.3222.

(“Contracts Not Required to be Competitively Bid” added 6-29-1998 by O-18532 N.S.)

**§22.3213 Factors to Determine Whether Bid Meets Specifications**

The City may consider the following factors in evaluating whether a bid or proposal best meets City requirements and gains the best economic advantage for the City: unit cost, life cycle cost, economic cost analysis, operating efficiency, warranty and quality, compatibility with existing equipment, maintenance costs (including the costs associated with proprietary invention), experience and responsibility of the bidder, and any additional factors the City deems relevant.

*(“Factors to Determine Whether Bid Meets Specifications” added 6–29–1998 by O–18532 N.S.)*

**§22.3221 Manager’s Authority to Enter Contracts For Inmate Services**

The City Manager may enter a *contract* for Inmate Services without Council action provided that all of the following conditions are met:

- (a) The City Manager has certified in writing that the *contract* is in the public interest; and
- (b) The *contract* does not exceed \$500,000 per year; and
- (c) The City Manager has considered all of the following:
  - (1) whether the Agency agrees to direct supervision of the workers; and
  - (2) whether the Agency agrees to provide workers’ compensation insurance for the workers; and
  - (3) whether the Agency agrees to indemnify, protect, defend, and hold the City harmless against any and all claims alleged to be caused or caused by any act or omission of the worker or Agency employee.

*(“Manager’s Authority to Enter Contracts For Inmate Services” added 6–29–1998 by O–18532 N.S.)*

**§22.3222 City Manager’s Authority to Enter Contracts for Services with Agencies or Non-Profit Organizations**

The City Manager may enter *contracts* for Services with any Agency or with any non-profit organization qualified under Section 501(c)(3) of the Internal Revenue Code without Council action, provided that all of the following conditions are met:

- (a) The City Manager has certified in writing that the *contract* furthers a specific public policy; and
- (b) The City Manager has certified in writing that the *contract* is in the public interest; and
- (c) The *contract* does not exceed \$500,000 per year; and
- (d) The City Manager has considered all of the following:
  - (1) whether the Agency or non-profit organization agrees to direct supervision of the workers; and
  - (2) whether the Agency or non-profit organization agrees to provide workers' compensation insurance for the workers; and
  - (3) whether the Agency or non-profit organization agrees to indemnify, protect, defend, and hold the City harmless against any and all claims alleged to be caused or caused by any act or omission of the worker or Agency employee.

*(“Manager’s Authority to Enter Contracts for Services with Agencies or Non-Profit Organizations” added 6-29-1998 by O-18532 N.S.)*

### **§22.3223 Consultant Contracts**

Except as otherwise provided by Charter or ordinance, the City Manager may enter a contract with a Consultant to perform work or give advice without first seeking Council approval provided that both of the following conditions exist:

- (a) the *contract* does not exceed \$250,000; and
- (b) the total amount of contract awards to the Consultant, including the current award, in any given fiscal year does not exceed \$250,000.

*(“Consultant Contracts” added 6-29-1998 by O-18532 N.S.)*